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SOURCE Hua-ch'iao Jih-pao.KMT LEADERS IN SOUTH CHINA PLAN HAINAN DEFENSE

CH'EN CHI-T'ANG COMMANDS HAINAN FORCES -- Hua-ch'iao Jih-pao, 15 Nov 49

A conference of KMT leaders was held recently at Hai-k'ou to discuss the strategy for defense of Hainan. It was decided to establish Chan-chiang as the first line of defense to prevent the Communist occupation of Lei-chou peninsula and to prevent their use of it as a springboard to invade Hainan. Plans were also formulated to have Ch'en Chi-t'ang (Ueda: 12846, 6641, 5039) clear Hainan of Communist forces, Yu Fan-mou (253, 6499, 11092) to protect the outer defense line of Lu-chou and Hainan, and to have Hsieh Yo (10154, 2559) lead the KMT guerrillas in Kwangtung.

Since Hainan became the center of activity of the KMT reactionaries, the KMT Kwangtung Provincial government's capital was moved to Hai-k'ou from Kuang-chou with the approval of Ch'en Chi-t'ang. The military forces in this area, however, have continued to remain under the direct command of Ch'en Chi-t'ang who is refusing to permit Yu Fan-mou and Hsieh Yo troops to enter Hainan.

A request to place all KMT troops in Hainan under his command was recently made by Ch'en to Chiang Kai-shek. However, Chiang has refused although he has promised direct assistance in event of need. Chiang is now dispatching naval vessels to patrol the areas around Kuang-chou-wan, Hainan, and Taiwan. It is quite apparent that one of his purposes is to observe the activities of Ch'en Chi-t'ang. In view of these conditions, it is quite evident that there is dissension among the higher KMT leaders.

It is reported that Pai Ch'ung-hsi informed this conference that his troops will be able to hold Liu-chou Hsien and Wu-chou. He is asking Yu Fan-mou and Hsieh Yo to keep a passage open between Hainan and Kwangsi as well as to annihilate the Communist forces located in southern Kwangsi. This move is a clear indication that Pai is planning to use Yu and Hsieh to keep an opening for the Kwangsi clique to retreat to the border of Viet Nam and Kwangsi.

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KWANGTUNG GOVERNMENT ACTIVITIES IN HAINAN -- Hua-ch'iao Jih-Pao, 14 Nov 49

Hai-k'ou, 25 October -- After retreating to Hainan, the puppet KMT Kwangtung Military Administration Bureau has been actively engaged in setting up its offices and in reorganizing its military forces into the National Salvation Army (chiu-juo chun) under the leadership of Governor Hsieh Yo in preparations for launching a counteroffensive against the Communists. Governor Hsieh recently dispatched Secretary-General Li Yang-ching (4735, 3904, 4286) and Provincial Councillor Lu K'uang-wen (12870, 953, 4321) to Chanchiang to confer with Yu Han-mou, military administrator of South China, on the problem of reorganizing the military forces.

It is reported that Governor Hsieh is planning to establish Chanchiang or Pei-hai as the provisional capital of Kwangtung. Even if Chanchiang is selected, it is reported that a rear headquarters will be established somewhere in Hainan.

On 25 October, Hsieh called a meeting of government leaders at Hainan to discuss the various problems now confronting the government. At this meeting, it was decided to establish the following wartime councils to aid the functions of the government: Military Affairs, Political, and Economic Councils.

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